

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF PUERTO RICO**

**IN RE:**

**A. CORDERO BADILLO, INC.**

**Debtor**

**CASE NO. 10-10705 (SEK)**

**CHAPTER 11**

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**MOTION FOR REJECTION OF LEASE AND SUBLEASE CONTRACTS**

**TO THE HONORABLE COURT:**

COMES NOW Debtor through its undersigned counsel and very respectfully states and requests:

1. On November 12, 2010, Debtor filed its voluntary petition for relief pursuant to 11 U.S.C. Chapter 11 of the Bankruptcy Code and as of that date has been managing its affairs as a debtor-in-possession pursuant to 11 U.S.C. §§ 1107(a).

2. Prior to the filing by Debtor of its Chapter 11 petition, Debtor as lessee had entered into a lease contract with Almacenes Caraballo, Inc. ("ACI") as of March 11, 1996, with ACI as lessor, as to commercial premises at Gurabo, Puerto Rico, for a term of thirty (30) years commencing on March 21, 1996, with a current rent of \$21,485.29 per month.

3. In turn, Debtor subleased the premise leased from ACI, excepting a shack located thereat, to Almacenes Pitusa, Inc. ("Pitusa") with a current rent of \$13,522.77 per month, which is less than what Debtor has to pay ACI. The sublease contract became effective on August 1, 2002 for an original five (5) year term, with four (4) options, of which the first three (3) are for five (5) years each and the last one for three (3) years and seven (7) months.

4. At the time of the filing of Debtor's Chapter 11 petition, the lease contract with ACI and the sublease contract with Pitusa were in effect. At that time, Debtor owed ACI \$58,484.01 in rent.

5. Debtor is no longer operating and through the bankruptcy process intends to liquidate its remaining assets.

6. The lease contract with ACI and the sublease contract with Pitusa are burdensome and onerous to Debtor, and have no business purpose. *In re Jackson Brewing Co.*, 567 F.2d 618 (7<sup>th</sup> Cir. 1978); *In re Italian Cook Oil Corp.*, 190 F.2d 994 (3<sup>rd</sup> Cir. 1951). As part of Debtor's bankruptcy process and in the business judgment of its management, it is necessary to reject these lease contracts with ACI and the sublease contract with Pitusa. *In re Orion Pictures Corp.*, 4 F.3d 1095 (2<sup>nd</sup> Cir. 1993); 3 Collier on Bankruptcy (15<sup>th</sup> Ed. Rev.) ¶365.03[2].

7. 11 U.S.C. §365(a), with certain exceptions, not applicable to Debtor's case and under certain conditions, provides that subject to the Court's approval, Debtor as a debtor in possession, may assume or reject its unexpired leases.

8. Consequently, in its business judgment, Debtor wishes to reject its lease contract with ACI and its sublease contract with Pitusa.

### **NOTICE**

Within twenty (20) days after service of this Motion and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if served by mail, any creditor or party in interest served, or any other party who objects to the Motion, shall serve and file an objection thereto with the Clerk's office of the U.S. Bankruptcy Court for the District of Puerto Rico and on the undersigned counsel. If no objection or other response is filed within the time allowed herein, the Motion will be deemed unopposed. If you file a timely objection to the Motion, the same will be scheduled

to be heard before the Honorable Sara De Jesus at the United States Bankruptcy Court, U.S. Post Office and Courthouse Building, second floor, Courtroom 1, 300 Recinto Sur Street, Old San Juan, Puerto Rico, at which time the Motion and any objection thereto will be considered.

**WHEREFORE**, it is respectfully requested that Debtor be granted leave to reject the lease contract with ACI and its sublease contract with Pitusa.

**CERTIFICATE OF SERVICE:** I hereby certify that on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the Assistant US Trustee and to all participants of the CM/ECF system and to Debtor's Creditors Committee, as follows: **De La Cruz & Asc., Inc.**, PO Box 11885, San Juan, PR 00922-1185, **Pepsi Cola Puerto Rico Distributing, LLC**, 10269 Whitewater Lily Ln, Baywton Beach, FL 33437, **Mi Pan Asociados, Inc.**, Ave. Ponce de León, Mercantil Building, Suite 819, Hato Rey, PR 00918, **V. Suárez y Co, Inc.**, PO Box 364588, San Juan, PR 00936-4588, **Marvel International, Inc.**, PO Box 363306, San Juan, PR 00936, **Droguería Betances, Inc.**, PO Box 368, Caguas, PR 00726-0951; **Kraft Foods Puerto Rico/Cadbury Adams Puerto Rico**, Citi View Plaza, Suite 412, 48 Road 165, Guaynabo, PR 00968-8033; to Almacenes Pitusa, Inc. P.O. Box 190839, San Juan, PR 00919-0839, and its counsel **Sergio A. Ramírez de Arellano, Esq.**, [sramirez@sarlaw.com](mailto:sramirez@sarlaw.com); and to Almacenes Caraballo, Inc. through its counsel **Antonio I. Hernández Rodríguez, Esq.**, [ahernandezlaw@yahoo.com](mailto:ahernandezlaw@yahoo.com).

San Juan, Puerto Rico, this 23<sup>rd</sup> day of December, 2010.

**S/CHARLES A. CUPRILL-HERNÁNDEZ**  
**USDC-PR 114312**

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